



For Immediate Release
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**Floor Statement of Senator Max Baucus (D-Mont.)
Regarding the CHIP and Tax Cut Budget Amendment**

Mr. President, I commend the Chairman of the Budget Committee for his able work in bringing this budget to the Senate. He has done good work.

But the budget resolution before us leaves a surplus of \$132 billion in 2012. The amendment that I now offer on behalf of Senators Landrieu, Pryor, Bayh, and Bill Nelson would state the Senate's will on what we should do if that surplus materializes. In sum, our amendment says that the Senate's highest priority for any surplus should be American families.

Our amendment would put children first. It would take \$15 billion and devote it to improving children's health care coverage under CHIP. Now the budget resolution already recognizes this priority in a deficit neutral reserve fund. Our amendment would also reduce the amount in that reserve fund. So we are not increasing the net amount of spending on CHIP.

We are just making that work on CHIP more likely. We are saying that if we have a surplus in 2012, then we ought to spend some part of that surplus on children's health.

And we are saying that if we have a surplus in 2012, we should not raise taxes to pay for all of CHIP. If we have a surplus in 2012, we should not cut Medicare to pay for all of CHIP. Rather, we should use some of that surplus to fund children's health. We should put children first.

Then our amendment takes the rest of the surplus and returns it to the hardworking American families who created it. Our amendment devotes the rest of the surplus to the extension and enhancement of tax relief for hardworking American families.

Here are the types of tax relief that we're talking about. We're talking about making the ten percent tax bracket permanent. That's a tax cut for all taxpayers.

We're talking about extending the child tax credit. That provides a \$1,000 tax credit per child. This tax credit recognizes that a families' ability to pay taxes decreases as family size increases. Unless we act, the child tax credit will fall to \$500 per child. The child tax credit should be made permanent. We need to recognize the financial responsibilities of child rearing.

We're talking about continuing marriage penalty relief. Marriage penalty relief is a tax cut on which the American family has come to rely. Marriage penalty relief makes sure that a married couple filing a joint return has the same combined tax liability as they would have if they were not married.

We're talking about enhancing the dependent care credit. This credit is very important to working families. It recognizes the additional cost for raising children in this fast-paced society.

We're talking about improving the adoption credit. The majority of adoptions cost over \$20,000. This provision offers a credit of \$10,000 for those willing to give a home to a needy child.

We're talking about providing combat pay EITC. Under current law, income earned by a soldier in a combat zone is exempt from income tax. This actually hurts low-income military personnel under the EITC. If not for the EITC Combat pay exception, combat zone pay would not count as earned income for purposes of determining the credit. This amendment makes that exception permanent so that military families can get the full benefit of EITC.

We're talking about reforming the estate tax. We want to try to give American families certainty. We want to support America's small farms and ranches. With this amendment, we have allowed room for an estate tax reform that will do just that.

And we're talking about returning surplus revenues to hardworking American families.

That's what our amendment does. It's a pretty straightforward amendment. It says that we should put America's kids and families first. I urge my Colleagues to join me in supporting this amendment.

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